

Understanding Employment Separation and Severance Agreements: What Every Employee Should Know

Services

Employment & Labor Law

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If your employment is ending, you may be presented with an employment separation agreement or severance agreement. These agreements often come with a severance payment or other benefits but also include conditions that can significantly impact your legal rights and future opportunities.

What Is a Separation Agreement or Severance Agreement?

A separation or severance agreement is a contract between an employer and an employee that outlines the terms of the employee's departure. These agreements typically offer compensation or benefits in exchange for the employee agreeing to specific terms, such as releasing claims against the employer.

Key Components of a Severance Agreement

Severance Payment

The severance payment is a lump sum or series of payments provided to the employee. While this can be a valuable benefit, it's important to evaluate whether the payment fairly compensates you for the rights you are giving up.

Release of Claims

Most severance agreements require you to waive your right to pursue legal claims against your employer. These claims may include:

- Discrimination or harassment.
- Wrongful termination.
- Wage and hour disputes.

Once signed, you may no longer have the option to bring these claims, even if valid issues arise later.

Non-Compete and Non-Solicitation Clauses

Some agreements include restrictive covenants that limit your future employment opportunities, such as:

- **Non-Compete Clauses:** Prohibit you from working for a competitor for a specific period and within a certain geographic area.
- **Non-Solicitation Clauses:** Prevent you from contacting or soliciting the company's clients,

customers, or employees after your departure.

These provisions can impact your career and require careful scrutiny.

Confidentiality and Non-Disparagement Clauses

Employers often include clauses that:

- Prohibit you from discussing the terms of the agreement.
- Prevent you from making negative statements about the company.

Violating these terms can lead to legal consequences, so it's important to understand their scope.

Benefits and Other Provisions

The agreement may address additional issues, such as:

- Continuation of health insurance benefits (e.g., COBRA).
- Payment of accrued vacation or PTO.
- Job references or outplacement services.

Your Rights When Reviewing a Severance Agreement

22 Days to Review

Under the Older Workers Benefit Protection Act (OWBPA), employees over the age of 40 must be given at least 21 days (22 days total) to review the agreement if it involves a release of claims under the Age Discrimination in Employment Act (ADEA).

7-Day Revocation Period

After signing the agreement, you have 7 days to revoke your consent. This allows time to reconsider your decision and consult with legal counsel if needed.

Why Legal Review Is Critical

Severance agreements can have serious legal and financial consequences. Signing without fully understanding the implications could mean forfeiting your rights or agreeing to terms that are unfairly restrictive.

How Legal Representation Can Help:

1. **Evaluate the Terms:** An attorney can review the agreement to ensure it is fair and complies with applicable laws.
2. **Negotiate Better Terms:** Legal counsel can help you negotiate for a higher severance payment, removal of restrictive clauses, or additional benefits.
3. **Clarify Your Rights:** Understanding what you are giving up is essential to making an informed decision.
4. **Protect Your Future:** An attorney can identify terms that may negatively affect your future career opportunities and suggest alternatives.

Why Choose Cohen Cleary, P.C.?

At Cohen Cleary, P.C., we have significant experience reviewing and advising clients on separation and severance agreements. We understand the importance of protecting your rights and ensuring you receive fair treatment.

What We Offer:

- **Affordable Flat-Fee Options:** We provide affordable, upfront pricing for reviewing and advising on severance agreements.
- **Comprehensive Review:** Our attorneys will thoroughly analyze your agreement and provide practical guidance.
- **Negotiation Support:** If needed, we can provide additional support including negotiating with your employer to improve the terms of the agreement.

Contact Cohen Cleary, P.C. for a Complimentary Consultation

If you have been given a separation or severance agreement, don't sign it without understanding its implications. Contact Cohen Cleary, P.C. for a complimentary consultation to discuss your options and protect your rights.

Call us today at [508-880-6677](tel:508-880-6677) to [schedule your consultation](#). Let us help you navigate this important decision with confidence and care.